

### **Amendments to the Claims:**

This listing of claims will replace all prior versions and listings of claims in the application.

### **Listing of Claims:**

Claim 1 (Currently Amended)

1. A method for providing incentive to at least one participant, such method for each participant comprising:

- (a) creating a hierarchy of participant performance levels defined by a program sponsor, including a minimum threshold level of performance ~~each~~ and at least one successive performance level above the minimum threshold level of performance, each successive performance level defining a higher degree of achievement than the prior ~~the previous~~ performance levels in such hierarchy;
- (b) associating at least one reward to the participant with achievement of each specific level of performance, such that the participant's reward for achieving each performance level above the minimum threshold level is of greater value than the reward associated with a the participant achieving ~~the previous lower~~ any of the prior performance levels;
- (c) requiring ~~each~~ the participant to select a specific level of performance to be achieved by the participant from the hierarchy of sponsor-defined levels of performance;
- (d) storing actual performance data of the participant;
- (e) comparing the actual performance data of the participant to the selected performance level criteria, and generating a result indicating whether the participant achieved the participant's selected level of performance; and
- (f) granting to the participant the reward associated with the participant's selected level of performance only if the participant achieved at least the participant-selected level of performance.

Claims 2-5 (Canceled)

Claim 6 (Currently Amended)

6. The method of claim 1, wherein a the participant only receives the reward associated with the selected level of performance even if the participant achieves a higher level of performance than the selected level of performance.

Claims 7-23 (Canceled)

Claim 24 (Currently Amended)

24. The method of claim 1, further comprising:

(g) modifying the sponsor-defined levels of performance using the actual performance data of the participant.

Claims 25-40 (Canceled)